

WN:REP/MD/SA
F.#2008R02024

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- - - - -X

UNITED STATES OF AMERICA

- against -

ODELL L. FOLKS,
also known as
"Man" and
"Little Man,"
SHARON M. SMITH,
TANYA C. SMITH and
KEITH W. TERRY,

Defendants.

I N D I C T M E N T

Cr. No. _____
(T. 18, U.S.C., §§ 286,
287, 1341, 2 and
3551 et seq.; T. 26,
U.S.C., § 7206(1))

- - - - -X

THE GRAND JURY CHARGES:

At all times relevant to this Indictment, unless
otherwise indicated:

I N T R O D U C T I O N

I. B A C K G R O U N D

1. The defendant ODELL L. FOLKS, also known as "Man" and "Little Man," ("FOLKS") was a resident of Brooklyn, New York.
2. The defendant SHARON M. SMITH was a resident of the Bronx, New York.
3. The defendant TANYA C. SMITH ("TANYA SMITH") was a resident of Waterbury, Connecticut, and was the sister of defendant SHARON M. SMITH.

4. The defendant KEITH W. TERRY ("TERRY") was a resident of Brentwood, New York, and was the cousin of defendants SHARON M. SMITH and TANYA C. SMITH. At present, TERRY is a resident of Dallas, Georgia.

5. New York City Human Resources Administration ("HRA") was an entity located in New York City that offered a wide range of social service programs to individuals, referred to herein as "HRA clients," receiving public assistance.

6. Center for Employment Opportunities ("CEO") was an entity located in New York City that provided comprehensive employment services for persons with criminal records, including temporary jobs for individuals recently released from prison. CEO placed individuals, referred to herein as "CEO clients," at various job sites throughout New York City. CEO employed the defendants ODELL L. FOLKS and SHARON M. SMITH as job counselors.

7. The Internal Revenue Service ("IRS") was a constituent agency of the United States Department of the Treasury, responsible for administering and enforcing the tax laws of the United States and collecting taxes owed to the Treasury of the United States.

II. THE SCHEME TO DEFRAUD THE IRS

8. Between approximately May 1, 2003 and February 28, 2005, the defendant ODELL L. FOLKS, together with others, devised and implemented a scheme to defraud the IRS.

9. It was part of the scheme to defraud that the defendants ODELL L. FOLKS and SHARON M. SMITH, in part through their positions at CEO, would obtain the names, Social Security numbers and other personal identifying information, at times in exchange for money, of certain residents of the City and State of New York, most of whom were HRA and CEO clients.

10. Using the personal identifying information of the CEO and HRA clients, the defendant ODELL L. FOLKS, together with others, caused false United States Individual Income Tax Returns, Forms 1040, (the "income tax returns" and the "returns") to be filed with the IRS in the names of the HRA and CEO clients.

11. The income tax returns claimed tax refunds in amounts ranging from approximately \$2200 to \$2600, to which the HRA and CEO clients were not entitled. Each of the returns contained false and fictitious information relating to income, deductions, dependents, and/or credits. Based on this false and fictitious information, the IRS issued income tax refunds in the form of United States Treasury checks payable to HRA and CEO clients that were mailed via the United States Postal Service.

12. In preparing false and fraudulent income tax returns the defendant ODELL L. FOLKS would use the addresses of his associates in New York City as the taxpayers' addresses on the returns, instead of the true addresses of the HRA and CEO clients. As a result, the IRS sent refund checks for the HRA and CEO clients via the United States Postal Service to the residences of associates of defendant FOLKS. Upon delivery by the United States Postal Service, defendant FOLKS would obtain the refund checks from his associates who, in many instances, were paid by defendant FOLKS for the checks that they provided to him.

13. Upon receiving by mail a refund check payable to an HRA or CEO client, the defendants ODELL L. FOLKS and SHARON M. SMITH, at times with the knowledge and assistance of the individual in whose name the check was written, either negotiated, caused to be negotiated, deposited or caused to be deposited the refund checks.

14. The defendant SHARON M. SMITH also introduced the defendants TANYA C. SMITH and KEITH W. TERRY to the defendant ODELL L. FOLKS for the purpose of having defendants TANYA SMITH and TERRY negotiate certain of the fraudulently obtained income tax refund checks.

15. The defendants TANYA C. SMITH and KEITH W. TERRY agreed to negotiate the income tax refund checks for the defendant ODELL L. FOLKS in exchange for a fee ranging from approximately \$500 to \$700 a check. The defendants TANYA SMITH and TERRY negotiated the checks by depositing them into their respective personal bank accounts. Once the income tax refund checks had cleared, the defendants TANYA SMITH and TERRY provided defendant FOLKS with the proceeds, less the fee that they received for negotiating the income tax refund checks.

COUNT ONE
(False Claims Conspiracy)

16. The allegations contained in paragraphs 1 through 15 are realleged and incorporated as if fully set forth in this paragraph.

17. On or about and between May 1, 2003 and February 28, 2005, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants ODELL L. FOLKS, also known as "Man" and "Little Man," SHARON M. SMITH, TANYA C. SMITH and KEITH W. TERRY, together with others, did knowingly and willfully conspire to defraud an agency of the United States, to wit: the IRS, by obtaining and aiding

others to obtain the payment of false, fictitious and fraudulent claims, to wit: income tax refunds.

(Title 18, United States Code, Sections 286 and 3551 et seq.)

COUNTS TWO THROUGH SIX
(Presentation of False Claims)

18. The allegations contained in paragraphs 1 through 15 are realleged and incorporated as if fully set forth in this paragraph.

19. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendants ODELL L. FOLKS, also known as "Man" and "Little Man," SHARON M. SMITH and KEITH W. TERRY, together with others, did knowingly and intentionally make and present claims upon and against an agency of the United States, to wit: the IRS, which they knew to be materially false, fictitious and fraudulent, in that the defendants caused to be negotiated United States Treasury checks for income tax refunds, which refunds the defendants then and there well knew and believed were unlawful, in the amounts and for the calendar years and for the taxpayers, whose identities are known to the Grand Jury, as specified below:

COUNT	REFUND CHECK PAYABLE TO	APPROXIMATE DATE CHECK NEGOTIATED	REFUND YEAR	AMOUNT OF CLAIM
2	CEO Client A	January 20, 2004	2000	\$1,009.00
3	CEO Client A	January 20, 2004	2001	\$917.00
4	CEO Client A	February 20, 2004	2002	\$957.54
5	HRA Client A	February 11, 2004	2003	\$1,772.34
6	HRA Client B	June 16, 2004	2003	\$2,574.00

(Title 18, United States Code, Sections 287, 2 and 3551
et seq.)

COUNT SEVEN
(Mail Fraud)

20. The allegations contained in paragraphs 1 through 15 are realleged and incorporated as if fully set forth in this paragraph.

21. On or about the date set forth below, within the Eastern District of New York and elsewhere, the defendant ODELL L. FOLKS, also known as "Man" and "Little Man," together with others, did knowingly and intentionally devise a scheme and artifice to defraud the IRS, and to obtain money and property from the IRS, by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, did cause to be placed in a post office and authorized depository for mail matter, matters

and things to be sent and delivered by the United States Postal Service, for the taxpayer whose identity is known to the Grand Jury, as specified below:

COUNT	APPROXIMATE DATE	DESTINATION	DESCRIPTION
7	February 13, 2004	Brooklyn, New York	Refund check for tax return for tax year 2003 filed in name of HRA Client C

(Title 18, United States Code, Sections 1341, 2 and 3551 et seq.)

COUNTS EIGHT THROUGH FOURTEEN
(Mail Fraud)

22. The allegations contained in paragraphs 1 through 15 are realleged and incorporated as if fully set forth in this paragraph.

23. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendants ODELL L. FOLKS, also known as "Man" and "Little Man," and SHARON M. SMITH, together with others, did knowingly and intentionally devise a scheme and artifice to defraud the IRS, and to obtain money and property from the IRS, by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, did cause to be placed in a post office and authorized depository for mail matter, matters and things to be sent and delivered by the United

States Postal Service, for the taxpayers whose identities are known to the Grand Jury, as specified below:

COUNT	APPROXIMATE DATE	DESTINATION	DESCRIPTION
8	November 28, 2003	Brooklyn, New York	Refund check for tax return for tax year 2000 filed in name of CEO Client B
9	November 28, 2003	Brooklyn, New York	Refund check for tax return for tax year 2001 filed in name of CEO Client B
10	November 28, 2003	Brooklyn, New York	Refund check for tax return for tax year 2002 filed in name of CEO Client B
11	February 13, 2004	Brooklyn, New York	Refund check for tax return for tax year 2003 filed in name of CEO Client B
12	November 19, 2004	Brooklyn, New York	Refund check for tax return for tax year 2001 filed in name of CEO Client C
13	November 19, 2004	Brooklyn, New York	Refund check for tax return for tax year 2002 filed in name of CEO Client C
14	November 19, 2004	Brooklyn, New York	Refund check for tax return for tax year 2003 filed in name of CEO Client C

(Title 18, United States Code, Sections 1341, 2 and 3551 et seq.)

COUNTS FIFTEEN THROUGH SEVENTEEN
(Subscribing a False Tax Return)

24. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendant ODELL L. FOLKS, also known as "Man" and "Little Man," did knowingly and willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar years set forth below, which contained a written declaration that it was made under the penalties of perjury, and which he did not believe to be true and correct as to every material matter, in that it under-reported his total income as specified below:

COUNT	CALENDAR YEAR	APPROXIMATE FILING DATE	FALSELY STATED TOTAL INCOME
15	2003	January 16, 2004	\$15,514
16	2004	January 29, 2005	\$27,397
17	2005	February 2, 2006	\$18,764

(Title 26, United States Code, Section 7206(1); Title 18, United States Code, Section 3551 et seq.)

COUNT EIGHTEEN
(Subscribing a False Tax Return)

25. On or about February 7, 2005, within the Eastern District of New York and elsewhere, the defendant KEITH W. TERRY did knowingly and willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for calendar year 2004, which contained a written declaration that it was made under the

11

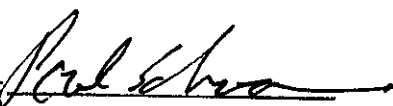
penalties of perjury, and which he did not believe to be true and correct as to every material matter in that it under-reported his total income, to wit: falsely stating that it was \$64,231.

(Title 26, United States Code, Section 7206(1); Title 18, United States Code, Section 3551 et seq.)

A TRUE BILL


FOREPERSON

BENTON J. CAMPBELL
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

BY: 
ACTING UNITED STATES ATTORNEY
PURSUANT TO 28 C.F.R. § 0.136

INFORMATION SHEET

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

1. Title of Case: **United States v. Odell L. Folks, Sharon M. Smith, Tanya C. Smith, and Keith W. Terry**
2. Related Magistrate Docket Number(s): N/A
None ()
3. Arrest Date: N/A
4. Nature of offense(s): ☒ Felony
☐ Misdemeanor
5. Related Cases - Title and Docket No(s). (Pursuant to Rule 50.3 of the Local E.D.N.Y. Division of Business Rules):

6. Projected Length of Trial: Less than 6 weeks (X)
More than 6 weeks ()
7. County in which crime was allegedly committed: Brooklyn
(Pursuant to Rule 50.1(d) of the Local E.D.N.Y. Division of Business Rules)
8. Has this indictment/information been ordered sealed? (X) Yes () No
9. Have arrest warrants been ordered? (X) Yes () No

BENTON L. CAMPBELL
UNITED STATES ATTORNEY

By: _____

Shirve Ariail
Assistant U.S. Attorney
718-254-6616